MALAYSIA WEEKLY ECONOMIC NEWS

(4 July 2016 – 8 July 2016)

Topics	Highlights
Bursa's top 100 companies show 15.2% increase of women on their boards	Bursa's top 100 public listed companies have registered a 15.2% increase of women on their boards, according to 30% Club Malaysia. 30% Club Malaysia, a business group which campaigns for more female directors on company boards, said that its mission is to achieve a 30% target of women on companies' boards by end of 2016. Co-founding chair Tan Sri Megat Zaharuddin said business leaders are espousing the mission to achieve the 30% target as a proven business case for improving leadership, governance and ultimately increasing shareholder value. For instance, Maybank is in the process of adding more women on our board in the next few months. Another co-founding chair Tan Sri Zarinah Anwar said gender diversity is a business imperative, therefore gender must be a key consideration when it comes to hiring talented employees. (Source: NST, 4 July 2016)
Malaysia ranked third in online shopping via social media	Malaysia ranked third in online shopping through social media sites behind Thailand and India, according to PwC's Total Retail Survey 2016 titled "The Say They Want a Revolution". About 31% of online shoppers in Malaysia said they purchased goods directly via a social media channels, outpacing China (27%) and Middle East (26%). PwC said this year marked the first time in the survey's history that had seen a significant increase in the number of online shoppers bought directly via a social media channels. The survey also showed consumers in emerging marks were influence by social media than in more developed countries and emerging market online consumers were more likely to be influenced by a brand after being exposed to it or having interaction with it on social media. (Source: NST, 4 July 2016)
MARC tweaks GDP growth downwards	Malaysian Rating Corp Bhd (MARC) has tweaked the Malaysian economy's gross domestic product (GDP) growth forecast lower, citing external headwinds and weak domestic demand in the second half of 2016. MARC chief economist Nor Zahidi Alias said in a report on the outlook for the second half that the GDP growth forecast for this year had been cut to 4.1%, from 4.4% previously as the economy would remain below its potential in 2016. He said uncertainties surrounding key policy decisions such as the US interest-rate hike, Britain's unexpected vote to leave the European Union as well as China's economic performance will also affect business sentiment and investments. Offsetting these downside risks are the ongoing implementation of the Government's mega projects and the relatively low interest rate environment, which will prevent a sharp drop in total investments in 2016. (Source: The Star, 5 July 2016)
Ringgit can strengthen in the coming weeks	There could be some strengthening of the ringgit in the coming weeks even as investors flee to safe-haven assets on Brexit worries. Global financial markets continue to digest the impact of Britain's vote to leave the European Union as well as the implications the move would have on monetary policy and fiscal stimulus. A technical analyst said the ringgit would likely trade higher against the US dollar and pound sterling. However, he said there would be an element of caution in the markets because of the uncertainties. Based on past performance, analysts believe the ringgit would continue to be influenced foremost by the direction of commodity prices particularly, global crude oil prices. Another element that further underscores the challenges ahead would be the US Federal Reserve's decision on the benchmark interest rate. At this point, analysts believe US policymakers would not vote to hike interest rates because of the slowdown in global economic

	growth and the impact this would have on the US economy, where job creation has fallen since March 2016. Analysts said a rate hike could come only in 2018. US data has come in quite mixed, given the improved readings on private consumption and lower inflation against the backdrop of a lower-than-expected first-quarter economic growth. This could leave a little bit of breathing space for policymakers in Malaysia, where economic growth shows a downtrend, with weak exports and tepid growth in private consumption as well as private sector investment. (Source: The Star, 8 July 2016)

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